

**Congressman Joseph Crowley**  
**Remarks - FI Subcommittee - FDIC Reform Hearing**  
**May 16, 2001**

I want to begin by thanking Chairman Bachus and Ranking Member Waters for holding this important hearing this morning.

Now, when our financial sector is strong and our depository institutions are sound, is the time for the FDIC and the Congress to review FDIC regulations and procedures and fix any problems.

As Chairwoman Tanoue has stated on a number of occasions, we should fix the roof when the sun is shining.

Like a number of my colleagues, I believe that we should seriously consider merging the SAIF and BIF insurance funds.

On that point, I want to recognize the Lead Democrat on this Committee, Mr. LaFalce, a great man and a good friend, who has been out front on this merger issue long before this Committee was even a twinkle in anyone's eyes.

This Committee should also examine the 23 basis point "punishment" on banks when the Designated Reserve Ratio falls below the arbitrarily established rate of 1.25 with an eye towards reforming this ratio requirement.

Furthermore, it is the obligation of this Committee to look into the serious concerns of our community bankers, such as Bill McKenna of the Ridgewood Savings Bank in my district in Ridgewood, Queens, New York, on the issue of the "free-rider" problem and its effects on the FDIC and the BIF insurance fund.

While our nation's banks enjoy unprecedented prosperity, we should take the time to plan ahead for the rainy days, as this is the best way in which we can prevent another debacle as the one that occurred to our nation's thrift industry in the late 1980's and early 1990's.

I also look forward to hearing from our witnesses if they believe it is time to begin indexing our FDIC insured ceiling of \$100,000 for inflation

We have a number of important issues to cover today, and I very much look forward to a lively and spirited discussion and again want to thank Chairman Bachus and Ranking Member Waters for holding this hearing - the first in a series of hearings on the key issue of protecting the savings of all Americans.

Thank you.